

STATE: GSTC – ARKANSAS  
DS1 COMPARABLE SERVICE COMPONENTS

Attachment: CTAR-DS1

A. DS1 Circuit Termination – 5 Year TPP

Equipment – Circuit	\$1,134.83
Engineering Labor – Circuit	1,142.57
Installation Labor – Circuit	292.66
<b>Total Circuit Investment</b>	<b>\$2,570.06</b>

Equipment – Outside Plant	\$2,523.24
Engineering Labor – Outside Plant	431.14
Installation Labor – Outside Plant	1,258.42
<b>Total Outside Plant Investment</b>	<b>\$4,212.80</b>

Total DS1 CKT TERM Investment **\$6,782.86**

Annual Charge (\$)

1. Circuit Equipment Depreciation	\$198.55
2. Outside Plant Depreciation	142.01
3. Return	385.83
4. Federal and State Income Tax	225.56
5. Annual Nonrecoverable Cost	252.37
6. Maintenance	395.16
7. Administration/Marketing	0.00
8. Other Taxes	40.20
9. Total Annual Charge (\$)	<b>\$1,639.68</b>

10. Direct Monthly Cost (Ln 9 / 12) **\$136.64**

FINANCIAL FACTORS	
Administration ACF	14.26%
Circuit Equip Maintenance	6.44%
Outside Plant Maintenance	5.40%
Gross Receipts Rate	0.00%
Property Tax Rate	0.59%
Fraction of Equity	65.04%
Fraction of Debt	34.96%
Return on Equity	12.33%
Debt Rate	9.25%
Cost of Money	11.25%
Federal Income Tax Rate	34.00%
State Income Tax Rate	6.50%

Percent  
Investment

1. Circuit Equipment Depreciation	7.73%
2. Outside Plant Depreciation	3.37%
3. Return	5.69%
4. Federal and State Income Tax	3.33%
5. Annual Nonrecoverable Cost	3.72%
6. Maintenance	5.83%
7. Administration/Marketing	0.00%
8. Other Taxes	0.59%
9. Total Annual Charge (\$)	<b>24.17%</b>

Tariffed Rate **\$175.00**

C. DS1 Circuit Mileage

Equipment – Circuit	\$107.04
Engineering Labor – Circuit	53.14
Installation Labor – Circuit	49.60
<b>Total Circuit Investment</b>	<b>\$209.78</b>

Equipment – Outside Plant	\$293.14
Engineering Labor – Outside Plant	13.68
Installation Labor – Outside Plant	47.08
<b>Total Outside Plant Investment</b>	<b>\$353.90</b>

Total DS1 Circuit Mileage Investment **\$563.68**

Annual Charge (\$)

1. Circuit Equipment Depreciation	\$16.20
2. Outside Plant Depreciation	11.93
3. Return	32.07
4. Federal and State Income Tax	18.75
5. Annual Nonrecoverable Cost	21.99
6. Maintenance	32.83
7. Administration/Marketing	0.00
8. Other Taxes	3.35
9. Total Annual Charge (\$)	<b>\$137.12</b>

10. Direct Monthly Cost (Ln 9 / 12) **\$11.43**

Percent  
Investment

1. Circuit Equipment Depreciation	7.72%
2. Outside Plant Depreciation	3.37%
3. Return	5.69%
4. Federal and State Income Tax	3.33%
5. Annual Nonrecoverable Cost	3.90%
6. Maintenance	5.82%
7. Administration/Marketing	0.00%
8. Other Taxes	0.59%
9. Total Annual Charge (\$)	<b>24.33%</b>

Tariffed Rate **\$17.86**

B. DS1 Circuit Mileage – Fixed

Equipment – Circuit	\$1,120.83
Engineering Labor – Circuit	240.58
Installation Labor – Circuit	312.35
<b>Total Circuit Investment</b>	<b>\$1,673.76</b>

Equipment – Outside Plant	\$0.00
Engineering Labor – Outside Plant	0.00
Installation Labor – Outside Plant	9.37
<b>Total Outside Plant Investment</b>	<b>\$9.37</b>

Total DS1 Ckt Mileage Fixed Investment **\$1,683.13**

Annual Charge (\$)

1. Circuit Equipment Depreciation	\$129.96
2. Outside Plant Depreciation	0.31
3. Return	96.50
4. Federal and State Income Tax	56.41
5. Annual Nonrecoverable Cost	112.82
6. Maintenance	109.35
7. Administration/Marketing	0.00
8. Other Taxes	10.04
9. Total Annual Charge (\$)	<b>\$515.39</b>

10. Direct Monthly Cost (Ln 9 / 12) **\$42.95**

Percent  
Investment

1. Circuit Equipment Depreciation	7.76%
2. Outside Plant Depreciation	3.31%
3. Return	5.73%
4. Federal and State Income Tax	3.35%
5. Annual Nonrecoverable Cost	6.70%
6. Maintenance	6.50%
7. Administration/Marketing	0.00%
8. Other Taxes	0.60%
9. Total Annual Charge (\$)	<b>30.62%</b>

Tariffed Rate **\$60.00**

D. DS1 Service – 1 Ckt Term, 1 Fixed, 10 Ckt Miles

Equipment – Circuit	\$3,326.06
Engineering Labor – Circuit	1,914.55
Installation Labor – Circuit	1,101.01
<b>Total Circuit Investment</b>	<b>\$6,341.62</b>

Equipment – Outside Plant	\$5,454.64
Engineering Labor – Outside Plant	567.94
Installation Labor – Outside Plant	1,738.59
<b>Total Outside Plant Investment</b>	<b>\$7,761.17</b>

Total DS1 Service Investment **\$14,102.79**

Annual Charge (\$)

1. Circuit Equipment Depreciation	\$490.51
2. Outside Plant Depreciation	261.62
3. Return	803.03
4. Federal and State Income Tax	469.47
5. Annual Nonrecoverable Cost	585.09
6. Maintenance	832.81
7. Administration/Marketing	0.00
8. Other Taxes	83.74
9. Total Annual Charge (\$)	<b>\$3,526.27</b>

10. Direct Monthly Cost (Ln 9 / 12) **\$293.86**

Percent  
Investment

1. Circuit Equipment Depreciation	7.73%
2. Outside Plant Depreciation	3.37%
3. Return	5.69%
4. Federal and State Income Tax	3.33%
5. Annual Nonrecoverable Cost	4.15%
6. Maintenance	5.91%
7. Administration/Marketing	0.00%
8. Other Taxes	0.59%
9. Total Annual Charge (\$)	<b>25.00%</b>

Tariffed Service **\$413.60**

STATE: GSTC - CALIFORNIA  
DS1 COMPARABLE SERVICE COMPONENTS

Attachment: CTAR-DS1

A. DS1 Circuit Termination - 5 Year TPP

Equipment - Circuit	\$1,208.86
Engineering Labor - Circuit	1,130.67
Installation Labor - Circuit	396.58
Total Circuit Investment	\$2,736.11

Equipment - Outside Plant	\$2,304.90
Engineering Labor - Outside Plant	643.32
Installation Labor - Outside Plant	2,062.04
Total Outside Plant Investment	\$5,010.26

Total DS1 Ckt TERM Investment \$7,746.37

Annual Charge (\$)

1. Circuit Equipment Depreciation	\$214.83
2. Outside Plant Depreciation	186.27
3. Return	439.97
4. Federal and State Income Tax	271.73
5. Annual Nonrecoverable Cost	290.60
6. Maintenance	401.16
7. Administration/Marketing	0.00
8. Other Taxes	62.28
9. Total Annual Charge (\$)	\$1,866.84

10. Direct Monthly Cost (Ln 9 / 12) \$155.57

FINANCIAL FACTORS	
Administration ACP	16.14%
Circuit Equip Maintenance	7.81%
Outside Plant Maintenance	3.70%
Gross Receipts Rate	0.00%
Property Tax Rate	0.80%
Fraction of Equity	59.13%
Fraction of Debt	40.87%
Return on Equity	12.74%
Debt Rate	9.10%
Cost of Money	11.25%
Federal Income Tax Rate	34.00%
State Income Tax Rate	9.30%

Percent Investment

1. Circuit Equipment Depreciation	7.85%
2. Outside Plant Depreciation	3.72%
3. Return	5.68%
4. Federal and State Income Tax	3.51%
5. Annual Nonrecoverable Cost	3.75%
6. Maintenance	5.18%
7. Administration/Marketing	0.00%
8. Other Taxes	0.80%
9. Total Annual Charge (\$)	24.09%

Tariffed Rate \$175.00

C. DS1 Circuit Mileage

Equipment - Circuit	\$14.35
Engineering Labor - Circuit	3.98
Installation Labor - Circuit	3.95
Total Circuit Investment	\$22.28

Equipment - Outside Plant	\$46.47
Engineering Labor - Outside Plant	3.71
Installation Labor - Outside Plant	14.85
Total Outside Plant Investment	\$65.03

Total DS1 Circuit Mileage Investment \$87.31

Annual Charge (\$)

1. Circuit Equipment Depreciation	\$1.75
2. Outside Plant Depreciation	2.19
3. Return	4.97
4. Federal and State Income Tax	3.07
5. Annual Nonrecoverable Cost	3.83
6. Maintenance	4.15
7. Administration/Marketing	0.00
8. Other Taxes	0.74
9. Total Annual Charge (\$)	\$20.70

10. Direct Monthly Cost (Ln 9 / 12) \$1.73

Percent Investment

1. Circuit Equipment Depreciation	7.85%
2. Outside Plant Depreciation	3.37%
3. Return	5.69%
4. Federal and State Income Tax	3.52%
5. Annual Nonrecoverable Cost	4.39%
6. Maintenance	4.75%
7. Administration/Marketing	0.00%
8. Other Taxes	0.85%
9. Total Annual Charge (\$)	23.71%

Tariffed Rate \$15.12

B. DS1 Circuit Mileage - Fixed

Equipment - Circuit	\$1,394.47
Engineering Labor - Circuit	168.73
Installation Labor - Circuit	230.35
Total Circuit Investment	\$1,793.55

Equipment - Outside Plant	\$0.00
Engineering Labor - Outside Plant	0.00
Installation Labor - Outside Plant	1.06
Total Outside Plant Investment	\$1.06

Total DS1 Ckt Mileage Fixed Investment \$1,794.61

Annual Charge (\$)

1. Circuit Equipment Depreciation	\$141.65
2. Outside Plant Depreciation	0.04
3. Return	103.21
4. Federal and State Income Tax	63.74
5. Annual Nonrecoverable Cost	113.34
6. Maintenance	141.70
7. Administration/Marketing	0.00
8. Other Taxes	14.47
9. Total Annual Charge (\$)	\$578.15

10. Direct Monthly Cost (Ln 9 / 12) \$48.18

Percent Investment

1. Circuit Equipment Depreciation	7.90%
2. Outside Plant Depreciation	3.77%
3. Return	5.75%
4. Federal and State Income Tax	3.55%
5. Annual Nonrecoverable Cost	6.32%
6. Maintenance	7.90%
7. Administration/Marketing	0.00%
8. Other Taxes	0.81%
9. Total Annual Charge (\$)	32.22%

Tariffed Rate \$60.00

D. DS1 Service - 1 Ckt Term, 1 Fixed, 10 Ckt Miles

Equipment - Circuit	\$2,746.83
Engineering Labor - Circuit	1,339.20
Installation Labor - Circuit	668.43
Total Circuit Investment	\$4,754.46

Equipment - Outside Plant	\$2,769.60
Engineering Labor - Outside Plant	680.42
Installation Labor - Outside Plant	2,211.60
Total Outside Plant Investment	\$5,661.62

Total DS1 Service Investment \$10,416.08

Annual Charge (\$)

1. Circuit Equipment Depreciation	\$373.98
2. Outside Plant Depreciation	208.21
3. Return	592.88
4. Federal and State Income Tax	366.17
5. Annual Nonrecoverable Cost	442.24
6. Maintenance	584.36
7. Administration/Marketing	0.00
8. Other Taxes	84.15
9. Total Annual Charge (\$)	\$2,651.99

10. Direct Monthly Cost (Ln 9 / 12) \$221.00

Percent Investment

1. Circuit Equipment Depreciation	7.87%
2. Outside Plant Depreciation	3.68%
3. Return	5.69%
4. Federal and State Income Tax	3.52%
5. Annual Nonrecoverable Cost	4.25%
6. Maintenance	5.61%
7. Administration/Marketing	0.00%
8. Other Taxes	0.81%
9. Total Annual Charge (\$)	25.46%

Tariffed Service \$386.20

STATE: GSTC – ILLINOIS  
DS1 COMPARABLE SERVICE COMPONENTS

Attachment: CTIL-DS1

A. DS1 Circuit Termination – 5 Year TPP

Equipment – Circuit	\$1,134.83
Engineering Labor – Circuit	884.27
Installation Labor – Circuit	248.66
Total Circuit Investment	\$2,267.76

Equipment – Outside Plant	\$2,523.24
Engineering Labor – Outside Plant	540.60
Installation Labor – Outside Plant	1,460.52
Total Outside Plant Investment	\$4,524.36

Total DS1 CKT TERM Investment \$6,792.12

Annual Charge (\$)

1. Circuit Equipment Depreciation	\$296.12
2. Outside Plant Depreciation	160.18
3. Return	386.35
4. Federal and State Income Tax	229.34
5. Annual Nonrecoverable Cost	136.89
6. Maintenance	326.76
7. Administration/Marketing	0.00
8. Other Taxes	102.48
9. Total Annual Charge (\$)	\$1,638.12

10. Direct Monthly Cost (Ln 9 / 12) \$136.51

FINANCIAL FACTORS	
Administration ACF	18.20%
Circuit Equip Maintenance	4.88%
Outside Plant Maintenance	2.08%
Gross Receipts Rate	0.00%
Property Tax Rate	0.72%
Fraction of Equity	60.50%
Fraction of Debt	39.50%
Return on Equity	13.11%
Debt Rate	8.40%
Cost of Money	11.25%
Federal Income Tax Rate	34.00%
State Income Tax Rate	9.30%

Percent Investment

1. Circuit Equipment Depreciation	13.06%
2. Outside Plant Depreciation	3.54%
3. Return	5.69%
4. Federal and State Income Tax	3.38%
5. Annual Nonrecoverable Cost	2.02%
6. Maintenance	4.81%
7. Administration/Marketing	0.00%
8. Other Taxes	1.51%
9. Total Annual Charge (\$)	24.12%

Tariffed Rate \$175.00

C. DS1 Circuit Mileage

Equipment – Circuit	\$119.72
Engineering Labor – Circuit	48.07
Installation Labor – Circuit	19.03
Total Circuit Investment	\$184.82

Equipment – Outside Plant	\$325.60
Engineering Labor – Outside Plant	19.03
Installation Labor – Outside Plant	59.03
Total Outside Plant Investment	\$403.66

Total DS1 Circuit Mileage Investment \$588.48

Annual Charge (\$)

1. Circuit Equipment Depreciation	\$27.79
2. Outside Plant Depreciation	14.30
3. Return	35.09
4. Federal and State Income Tax	20.83
5. Annual Nonrecoverable Cost	12.41
6. Maintenance	29.93
7. Administration/Marketing	0.00
8. Other Taxes	9.26
9. Total Annual Charge (\$)	\$149.61

10. Direct Monthly Cost (Ln 9 / 12) \$12.47

Percent Investment

1. Circuit Equipment Depreciation	15.04%
2. Outside Plant Depreciation	3.54%
3. Return	5.96%
4. Federal and State Income Tax	3.54%
5. Annual Nonrecoverable Cost	2.11%
6. Maintenance	5.09%
7. Administration/Marketing	0.00%
8. Other Taxes	1.57%
9. Total Annual Charge (\$)	25.42%

Tariffed Rate \$15.00

B. DS1 Circuit Mileage – Fixed

Equipment – Circuit	\$1,095.60
Engineering Labor – Circuit	193.46
Installation Labor – Circuit	281.69
Total Circuit Investment	\$1,570.75

Equipment – Outside Plant	\$0.00
Engineering Labor – Outside Plant	0.00
Installation Labor – Outside Plant	11.30
Total Outside Plant Investment	\$11.30

Total DS1 Ckt Mileage Fixed Investment \$1,582.05

Annual Charge (\$)

1. Circuit Equipment Depreciation	\$206.09
2. Outside Plant Depreciation	0.40
3. Return	90.77
4. Federal and State Income Tax	53.88
5. Annual Nonrecoverable Cost	20.46
6. Maintenance	114.50
7. Administration/Marketing	0.00
8. Other Taxes	24.01
9. Total Annual Charge (\$)	\$510.11

10. Direct Monthly Cost (Ln 9 / 12) \$42.51

Percent Investment

1. Circuit Equipment Depreciation	13.12%
2. Outside Plant Depreciation	3.54%
3. Return	5.74%
4. Federal and State Income Tax	3.41%
5. Annual Nonrecoverable Cost	1.29%
6. Maintenance	7.24%
7. Administration/Marketing	0.00%
8. Other Taxes	1.52%
9. Total Annual Charge (\$)	32.24%

Tariffed Rate \$98.96

D. DS1 Service – 1 Ckt Term, 1 Fixed, 10 Ckt Miles

Equipment – Circuit	\$3,427.63
Engineering Labor – Circuit	1,538.43
Installation Labor – Circuit	720.65
Total Circuit Investment	\$5,686.71

Equipment – Outside Plant	\$5,779.24
Engineering Labor – Outside Plant	730.90
Installation Labor – Outside Plant	2,062.12
Total Outside Plant Investment	\$8,572.26

Total DS1 Service Investment \$14,258.97

Annual Charge (\$)

1. Circuit Equipment Depreciation	\$780.11
2. Outside Plant Depreciation	303.58
3. Return	828.02
4. Federal and State Income Tax	491.52
5. Annual Nonrecoverable Cost	281.45
6. Maintenance	740.56
7. Administration/Marketing	0.00
8. Other Taxes	219.09
9. Total Annual Charge (\$)	\$3,644.33

10. Direct Monthly Cost (Ln 9 / 12) \$303.69

Percent Investment

1. Circuit Equipment Depreciation	13.72%
2. Outside Plant Depreciation	3.54%
3. Return	5.81%
4. Federal and State Income Tax	3.45%
5. Annual Nonrecoverable Cost	1.97%
6. Maintenance	5.19%
7. Administration/Marketing	0.00%
8. Other Taxes	1.54%
9. Total Annual Charge (\$)	25.56%

Tariffed Service \$423.96

A. DS1 Circuit Termination – 5 Year TPP

Equipment – Circuit	\$1,134.83
Engineering Labor – Circuit	1,399.03
Installation Labor – Circuit	314.55
<b>Total Circuit Investment</b>	<b>\$2,848.41</b>

Equipment – Outside Plant	\$2,523.24
Engineering Labor – Outside Plant	620.00
Installation Labor – Outside Plant	1,726.11
<b>Total Outside Plant Investment</b>	<b>\$4,869.35</b>

Total DS1 CKT TERM Investment \$7,717.76

Annual Charge (\$)

1. Circuit Equipment Depreciation	\$279.45
2. Outside Plant Depreciation	165.96
3. Return	436.42
4. Federal and State Income Tax	248.89
5. Annual Nonrecoverable Cost	222.20
6. Maintenance	510.60
7. Administration/Marketing	0.00
8. Other Taxes	62.04
<b>9. Total Annual Charge (\$)</b>	<b>\$1,927.56</b>

10. Direct Monthly Cost (Ln 9 / 12) \$160.63

FINANCIAL FACTORS	
Administration ACF	18.20%
Circuit Equip Maintenance	4.88%
Outside Plant Maintenance	2.08%
Gross Receipts Rate	0.00%
Property Tax Rate	0.72%
Fraction of Equity	60.50%
Fraction of Debt	39.50%
Return on Equity	13.11%
Debt Rate	8.40%
Cost of Money	11.25%
Federal Income Tax Rate	34.00%
State Income Tax Rate	9.30%

Percent Investment

1. Circuit Equipment Depreciation	9.81%
2. Outside Plant Depreciation	3.41%
3. Return	5.68%
4. Federal and State Income Tax	3.22%
5. Annual Nonrecoverable Cost	2.88%
6. Maintenance	6.62%
7. Administration/Marketing	0.00%
8. Other Taxes	0.80%
<b>9. Total Annual Charge (\$)</b>	<b>24.98%</b>

Tariffed Rate \$175.00

C. DS1 Circuit Mileage

Equipment – Circuit	\$119.72
Engineering Labor – Circuit	46.07
Installation Labor – Circuit	47.19
<b>Total Circuit Investment</b>	<b>\$212.98</b>

Equipment – Outside Plant	\$325.60
Engineering Labor – Outside Plant	19.03
Installation Labor – Outside Plant	59.03
<b>Total Outside Plant Investment</b>	<b>\$403.66</b>

Total DS1 Circuit Mileage Investment \$616.64

Annual Charge (\$)

1. Circuit Equipment Depreciation	\$27.79
2. Outside Plant Depreciation	14.30
3. Return	35.09
4. Federal and State Income Tax	20.83
5. Annual Nonrecoverable Cost	12.41
6. Maintenance	29.93
7. Administration/Marketing	0.00
8. Other Taxes	9.26
<b>9. Total Annual Charge (\$)</b>	<b>\$149.61</b>

10. Direct Monthly Cost (Ln 9 / 12) \$12.47

Percent Investment

1. Circuit Equipment Depreciation	13.05%
2. Outside Plant Depreciation	3.54%
3. Return	5.69%
4. Federal and State Income Tax	3.38%
5. Annual Nonrecoverable Cost	2.01%
6. Maintenance	4.85%
7. Administration/Marketing	0.00%
8. Other Taxes	1.50%
<b>9. Total Annual Charge (\$)</b>	<b>24.26%</b>

Tariffed Rate \$20.91

B. DS1 Circuit Mileage – Fixed

Equipment – Circuit	\$961.49
Engineering Labor – Circuit	367.22
Installation Labor – Circuit	466.01
<b>Total Circuit Investment</b>	<b>\$1,794.72</b>

Equipment – Outside Plant	\$0.00
Engineering Labor – Outside Plant	0.00
Installation Labor – Outside Plant	24.73
<b>Total Outside Plant Investment</b>	<b>\$24.73</b>

Total DS1 Ckt Mileage Fixed Investment \$1,819.45

Annual Charge (\$)

1. Circuit Equipment Depreciation	\$176.70
2. Outside Plant Depreciation	0.84
3. Return	103.90
4. Federal and State Income Tax	58.99
5. Annual Nonrecoverable Cost	81.09
6. Maintenance	107.93
7. Administration/Marketing	0.00
8. Other Taxes	14.63
<b>9. Total Annual Charge (\$)</b>	<b>\$544.08</b>

10. Direct Monthly Cost (Ln 9 / 12) \$45.34 Tariffed Rate \$60.00

Percent Investment

1. Circuit Equipment Depreciation	9.85%
2. Outside Plant Depreciation	3.40%
3. Return	5.71%
4. Federal and State Income Tax	3.24%
5. Annual Nonrecoverable Cost	4.48%
6. Maintenance	5.93%
7. Administration/Marketing	0.00%
8. Other Taxes	0.80%
<b>9. Total Annual Charge (\$)</b>	<b>29.90%</b>

D. DS1 Service – 1 Ckt Term, 1 Fixed, 10 Ckt Miles

Equipment – Circuit	\$3,293.52
Engineering Labor – Circuit	2,226.95
Installation Labor – Circuit	1,252.46
<b>Total Circuit Investment</b>	<b>\$6,772.93</b>

Equipment – Outside Plant	\$5,779.24
Engineering Labor – Outside Plant	810.30
Installation Labor – Outside Plant	2,341.14
<b>Total Outside Plant Investment</b>	<b>\$8,930.68</b>

Total DS1 Service Investment \$15,703.61

Annual Charge (\$)

1. Circuit Equipment Depreciation	\$734.05
2. Outside Plant Depreciation	309.80
3. Return	893.22
4. Federal and State Income Tax	516.18
5. Annual Nonrecoverable Cost	427.39
6. Maintenance	917.83
7. Administration/Marketing	0.00
8. Other Taxes	169.27
<b>9. Total Annual Charge (\$)</b>	<b>\$3,967.74</b>

10. Direct Monthly Cost (Ln 9 / 12) \$330.65 Tariffed Service \$444.10

Percent Investment

1. Circuit Equipment Depreciation	10.84%
2. Outside Plant Depreciation	3.47%
3. Return	5.69%
4. Federal and State Income Tax	3.29%
5. Annual Nonrecoverable Cost	2.72%
6. Maintenance	5.84%
7. Administration/Marketing	0.00%
8. Other Taxes	1.08%
<b>9. Total Annual Charge (\$)</b>	<b>25.27%</b>

STATE: GSTC – TEXAS  
DS1 COMPARABLE SERVICE COMPONENTS

Attachment: CTMO-DS1

A. DS1 Circuit Termination – 5 Year TPP

Equipment – Circuit	\$1,162.43
Engineering Labor – Circuit	1,119.80
Installation Labor – Circuit	682.17
<b>Total Circuit Investment</b>	<b>\$2,964.40</b>
Equipment – Outside Plant	\$2,513.47
Engineering Labor – Outside Plant	542.35
Installation Labor – Outside Plant	1,573.25
<b>Total Outside Plant Investment</b>	<b>\$4,629.07</b>

Total DS1 CKT TERM Investment \$7,593.47

Annual Charge (\$)

1. Circuit Equipment Depreciation	\$372.07
2. Outside Plant Depreciation	166.19
3. Return	431.45
4. Federal and State Income Tax	222.24
5. Annual Nonrecoverable Cost	122.65
6. Maintenance	312.80
7. Administration/Marketing	0.00
8. Other Taxes	77.88
<b>9. Total Annual Charge (\$)</b>	<b>\$1,705.08</b>

10. Direct Monthly Cost (Ln 9 / 12) \$142.09

FINANCIAL FACTORS	
Administration ACF	10.19%
Circuit Equip Maintenance	5.06%
Outside Plant Maintenance	3.48%
Gross Receipts Rate	0.00%
Property Tax Rate	1.02%
Fraction of Equity	59.19%
Fraction of Debt	40.81%
Return on Equity	12.70%
Debt Rate	9.15%
Cost of Money	11.25%
Federal Income Tax Rate	34.00%
State Income Tax Rate	0.00%

Percent Investment

12.55%
3.59%
5.68%
2.93%
1.62%
4.12%
0.00%
1.03%
22.45%

Tariffed Rate \$175.00

C. DS1 Circuit Mileage

Equipment – Circuit	\$154.86
Engineering Labor – Circuit	74.28
Installation Labor – Circuit	161.68
<b>Total Circuit Investment</b>	<b>\$390.82</b>

Equipment – Outside Plant	\$417.94
Engineering Labor – Outside Plant	24.68
Installation Labor – Outside Plant	79.41
<b>Total Outside Plant Investment</b>	<b>\$522.03</b>

Total DS1 Circuit Mileage Investment \$912.85

Annual Charge (\$)

1. Circuit Equipment Depreciation	\$49.01
2. Outside Plant Depreciation	18.76
3. Return	51.86
4. Federal and State Income Tax	26.71
5. Annual Nonrecoverable Cost	10.77
6. Maintenance	38.12
7. Administration/Marketing	0.00
8. Other Taxes	9.34
<b>9. Total Annual Charge (\$)</b>	<b>\$204.57</b>

10. Direct Monthly Cost (Ln 9 / 12) \$17.05

Percent Investment

12.54%
3.59%
5.68%
2.93%
1.16%
4.18%
0.00%
1.02%
22.41%

Tariffed Rate \$24.49

B. DS1 Circuit Mileage – Fixed

Equipment – Circuit	\$1,047.46
Engineering Labor – Circuit	271.63
Installation Labor – Circuit	902.26
<b>Total Circuit Investment</b>	<b>\$2,221.35</b>
Equipment – Outside Plant	\$0.00
Engineering Labor – Outside Plant	0.00
Installation Labor – Outside Plant	14.56
<b>Total Outside Plant Investment</b>	<b>\$14.56</b>

Total DS1 Ckt Mileage Fixed Investment \$2,235.91

Annual Charge (\$)

1. Circuit Equipment Depreciation	\$279.56
2. Outside Plant Depreciation	0.52
3. Return	127.47
4. Federal and State Income Tax	65.66
5. Annual Nonrecoverable Cost	41.36
6. Maintenance	113.66
7. Administration/Marketing	0.00
8. Other Taxes	22.94
<b>9. Total Annual Charge (\$)</b>	<b>\$651.17</b>

10. Direct Monthly Cost (Ln 9 / 12) \$54.26

Percent Investment

12.59%
3.57%
5.70%
2.94%
1.85%
5.08%
0.00%
1.03%
29.12%

Tariffed Rate \$60.00

D. DS1 Service – 1 Ckt Term, 1 Fixed, 10 Ckt Miles

Equipment – Circuit	\$3,758.49
Engineering Labor – Circuit	2,134.23
Installation Labor – Circuit	3,201.23
<b>Total Circuit Investment</b>	<b>\$9,093.95</b>

Equipment – Outside Plant	\$6,692.87
Engineering Labor – Outside Plant	789.15
Installation Labor – Outside Plant	2,381.91
<b>Total Outside Plant Investment</b>	<b>\$9,863.93</b>

Total DS1 Service Investment \$18,957.88

Annual Charge (\$)

1. Circuit Equipment Depreciation	\$1,141.73
2. Outside Plant Depreciation	354.31
3. Return	1,077.52
4. Federal and State Income Tax	555.00
5. Annual Nonrecoverable Cost	271.71
6. Maintenance	807.46
7. Administration/Marketing	0.00
8. Other Taxes	194.22
<b>9. Total Annual Charge (\$)</b>	<b>\$4,401.95</b>

10. Direct Monthly Cost (Ln 9 / 12) \$366.83

Percent Investment

12.55%
3.59%
5.68%
2.93%
1.43%
4.26%
0.00%
1.02%
23.22%

Tariffed Service \$479.90

STATE: GSTC – VIRGINIA  
DS1 COMPARABLE SERVICE COMPONENTS

Attachment:CTMO-DS1

A. DS1 Circuit Termination – 5 Year TPP

Equipment – Circuit	\$1,236.87
Engineering Labor – Circuit	936.79
Installation Labor – Circuit	349.82
Total Circuit Investment	\$2,523.48

Equipment – Outside Plant	\$2,349.12
Engineering Labor – Outside Plant	453.33
Installation Labor – Outside Plant	1,631.99
Total Outside Plant Investment	\$4,434.44

Total DS1 CKT TERM Investment \$6,957.92

Annual Charge (\$)

1. Circuit Equipment Depreciation	\$261.50
2. Outside Plant Depreciation	164.98
3. Return	395.59
4. Federal and State Income Tax	229.01
5. Annual Nonrecoverable Cost	171.47
6. Maintenance	461.04
7. Administration/Marketing	0.00
8. Other Taxes	39.12
9. Total Annual Charge (\$)	\$1,722.71

10. Direct Monthly Cost (Ln 9 / 12) \$143.56

FINANCIAL FACTORS	
Administration ACF	15.18%
Circuit Equip Maintenance	5.87%
Outside Plant Maintenance	7.00%
Gross Receipts Rate	0.00%
Property Tax Rate	0.56%
Fraction of Equity	53.24%
Fraction of Debt	46.76%
Return on Equity	14.18%
Debt Rate	7.91%
Cost of Money	11.25%
Federal Income Tax Rate	34.00%
State Income Tax Rate	6.00%

Percent Investment

1. Circuit Equipment Depreciation	10.36%
2. Outside Plant Depreciation	3.72%
3. Return	5.69%
4. Federal and State Income Tax	3.29%
5. Annual Nonrecoverable Cost	2.46%
6. Maintenance	6.63%
7. Administration/Marketing	0.00%
8. Other Taxes	0.56%
9. Total Annual Charge (\$)	24.76%

Tariffed Rate \$175.00

C. DS1 Circuit Mileage

Equipment – Circuit	\$99.86
Engineering Labor – Circuit	35.81
Installation Labor – Circuit	54.40
Total Circuit Investment	\$190.07

Equipment – Outside Plant	\$191.61
Engineering Labor – Outside Plant	10.14
Installation Labor – Outside Plant	43.77
Total Outside Plant Investment	\$245.52

Total DS1 Circuit Mileage Investment \$435.59

Annual Charge (\$)

1. Circuit Equipment Depreciation	\$19.68
2. Outside Plant Depreciation	9.14
3. Return	24.76
4. Federal and State Income Tax	14.34
5. Annual Nonrecoverable Cost	8.55
6. Maintenance	28.51
7. Administration/Marketing	0.00
8. Other Taxes	2.47
9. Total Annual Charge (\$)	\$107.45

10. Direct Monthly Cost (Ln 9 / 12) \$8.95

Percent Investment

1. Circuit Equipment Depreciation	10.35%
2. Outside Plant Depreciation	3.72%
3. Return	5.68%
4. Federal and State Income Tax	3.29%
5. Annual Nonrecoverable Cost	1.96%
6. Maintenance	6.55%
7. Administration/Marketing	0.00%
8. Other Taxes	0.57%
9. Total Annual Charge (\$)	24.67%

Tariffed Rate \$17.67

B. DS1 Circuit Mileage – Fixed

Equipment – Circuit	\$1,295.55
Engineering Labor – Circuit	176.54
Installation Labor – Circuit	311.65
Total Circuit Investment	\$1,783.74

Equipment – Outside Plant	\$0.00
Engineering Labor – Outside Plant	0.00
Installation Labor – Outside Plant	8.22
Total Outside Plant Investment	\$8.22

Total DS1 Ckt Mileage Fixed Investment \$1,791.96

Annual Charge (\$)

1. Circuit Equipment Depreciation	\$185.83
2. Outside Plant Depreciation	0.30
3. Return	102.90
4. Federal and State Income Tax	59.57
5. Annual Nonrecoverable Cost	69.54
6. Maintenance	106.38
7. Administration/Marketing	0.00
8. Other Taxes	10.09
9. Total Annual Charge (\$)	\$534.61

10. Direct Monthly Cost (Ln 9 / 12) \$44.55

Percent Investment

1. Circuit Equipment Depreciation	10.42%
2. Outside Plant Depreciation	3.65%
3. Return	5.74%
4. Federal and State Income Tax	3.32%
5. Annual Nonrecoverable Cost	3.88%
6. Maintenance	5.94%
7. Administration/Marketing	0.00%
8. Other Taxes	0.56%
9. Total Annual Charge (\$)	29.83%

Tariffed Rate \$60.00

D. DS1 Service – 1 Ckt Term, 1 Fixed, 10 Ckt Miles

Equipment – Circuit	\$3,531.02
Engineering Labor – Circuit	1,471.43
Installation Labor – Circuit	1,205.47
Total Circuit Investment	\$6,207.92

Equipment – Outside Plant	\$4,265.22
Engineering Labor – Outside Plant	554.73
Installation Labor – Outside Plant	2,077.91
Total Outside Plant Investment	\$6,897.86

Total DS1 Service Investment \$13,105.78

Annual Charge (\$)

1. Circuit Equipment Depreciation	\$644.13
2. Outside Plant Depreciation	256.68
3. Return	746.09
4. Federal and State Income Tax	431.98
5. Annual Nonrecoverable Cost	328.51
6. Maintenance	852.52
7. Administration/Marketing	0.00
8. Other Taxes	73.91
9. Total Annual Charge (\$)	\$3,331.82

10. Direct Monthly Cost (Ln 9 / 12) \$277.65

Percent Investment

1. Circuit Equipment Depreciation	10.38%
2. Outside Plant Depreciation	3.72%
3. Return	5.69%
4. Federal and State Income Tax	3.30%
5. Annual Nonrecoverable Cost	2.49%
6. Maintenance	6.50%
7. Administration/Marketing	0.00%
8. Other Taxes	0.56%
9. Total Annual Charge (\$)	25.42%

Tariffed Service \$411.70

STATE: GSTC – WASHINGTON  
DS1 COMPARABLE SERVICE COMPONENTS

Attachment: CTMO-DS1

A. DS1 Circuit Termination – 5 Year TPP

Equipment – Circuit	\$1,223.61
Engineering Labor – Circuit	1,125.13
Installation Labor – Circuit	325.39
Total Circuit Investment	<u>\$2,674.13</u>
Equipment – Outside Plant	<u>\$2,539.66</u>
Engineering Labor – Outside Plant	503.91
Installation Labor – Outside Plant	1,737.94
Total Outside Plant Investment	<u>\$4,781.51</u>

Total DS1 CKT TERM Investment **\$7,455.64**

Annual Charge (\$)

1. Circuit Equipment Depreciation	\$233.76
2. Outside Plant Depreciation	133.66
3. Return	423.80
4. Federal and State Income Tax	218.30
5. Annual Nonrecoverable Cost	236.72
6. Maintenance	361.20
7. Administration/Marketing	0.00
8. Other Taxes	94.92
9. Total Annual Charge (\$)	<u>\$1,704.36</u>

10. Direct Monthly Cost (Ln 9 / 12) **\$142.03**

FINANCIAL FACTORS	
Administration ACF	17.80%
Circuit Equip Maintenance	6.07%
Outside Plant Maintenance	4.12%
Gross Receipts Rate	0.78%
Property Tax Rate	1.09%
Fraction of Equity	46.02%
Fraction of Debt	53.98%
Return on Equity	13.06%
Debt Rate	9.71%
Cost of Money	11.25%
Federal Income Tax Rate	34.00%
State Income Tax Rate	0.00%

Percent  
Investment

1. Circuit Equipment Depreciation	8.74%
2. Outside Plant Depreciation	2.80%
3. Return	5.68%
4. Federal and State Income Tax	2.93%
5. Annual Nonrecoverable Cost	3.20%
6. Maintenance	4.84%
7. Administration/Marketing	0.00%
8. Other Taxes	1.27%
9. Total Annual Charge (\$)	<u>22.86%</u>

Tariffed Rate **\$175.00**

C. DS1 Circuit Mileage

Equipment – Circuit	\$115.61
Engineering Labor – Circuit	52.55
Installation Labor – Circuit	54.90
Total Circuit Investment	<u>\$223.06</u>

Equipment – Outside Plant	<u>\$300.06</u>
Engineering Labor – Outside Plant	16.28
Installation Labor – Outside Plant	63.90
Total Outside Plant Investment	<u>\$380.24</u>

Total DS1 Circuit Mileage Investment **\$603.30**

Annual Charge (\$)

1. Circuit Equipment Depreciation	\$19.49
2. Outside Plant Depreciation	14.16
3. Return	34.31
4. Federal and State Income Tax	17.67
5. Annual Nonrecoverable Cost	15.52
6. Maintenance	29.36
7. Administration/Marketing	0.00
8. Other Taxes	7.71
9. Total Annual Charge (\$)	<u>\$138.22</u>

10. Direct Monthly Cost (Ln 9 / 12) **\$11.52**

Percent  
Investment

1. Circuit Equipment Depreciation	8.74%
2. Outside Plant Depreciation	3.72%
3. Return	5.69%
4. Federal and State Income Tax	2.93%
5. Annual Nonrecoverable Cost	2.57%
6. Maintenance	4.87%
7. Administration/Marketing	0.00%
8. Other Taxes	1.28%
9. Total Annual Charge (\$)	<u>22.91%</u>

Tariffed Rate **\$47.00**

B. DS1 Circuit Mileage – Fixed

Equipment – Circuit	\$1,204.33
Engineering Labor – Circuit	238.33
Installation Labor – Circuit	350.56
Total Circuit Investment	<u>\$1,793.22</u>

Equipment – Outside Plant	\$0.00
Engineering Labor – Outside Plant	0.00
Installation Labor – Outside Plant	13.09
Total Outside Plant Investment	<u>\$13.09</u>

Total DS1 Ckt Mileage Fixed Investmnt **\$1,806.31**

Annual Charge (\$)

1. Circuit Equipment Depreciation	\$157.52
2. Outside Plant Depreciation	0.48
3. Return	103.56
4. Federal and State Income Tax	53.34
5. Annual Nonrecoverable Cost	92.45
6. Maintenance	110.42
7. Administration/Marketing	0.00
8. Other Taxes	24.07
9. Total Annual Charge (\$)	<u>\$541.84</u>

10. Direct Monthly Cost (Ln 9 / 12) **\$45.15**

Percent  
Investment

1. Circuit Equipment Depreciation	8.78%
2. Outside Plant Depreciation	3.67%
3. Return	5.73%
4. Federal and State Income Tax	2.95%
5. Annual Nonrecoverable Cost	5.12%
6. Maintenance	6.11%
7. Administration/Marketing	0.00%
8. Other Taxes	1.33%
9. Total Annual Charge (\$)	<u>30.00%</u>

Tariffed Rate **\$60.00**

D. DS1 Service – 1 Ckt Term, 1 Fixed, 10 Ckt Miles

Equipment – Circuit	\$3,584.04
Engineering Labor – Circuit	1,888.96
Installation Labor – Circuit	1,224.95
Total Circuit Investment	<u>\$6,697.95</u>

Equipment – Outside Plant	<u>\$5,540.26</u>
Engineering Labor – Outside Plant	666.71
Installation Labor – Outside Plant	2,390.03
Total Outside Plant Investment	<u>\$8,597.00</u>

Total DS1 Service Investment **\$15,294.95**

Annual Charge (\$)

1. Circuit Equipment Depreciation	\$586.18
2. Outside Plant Depreciation	275.74
3. Return	870.46
4. Federal and State Income Tax	448.34
5. Annual Nonrecoverable Cost	486.37
6. Maintenance	765.22
7. Administration/Marketing	0.00
8. Other Taxes	196.09
9. Total Annual Charge (\$)	<u>\$3,628.40</u>

10. Direct Monthly Cost (Ln 9 / 12) **\$302.37**

Percent  
Investment

1. Circuit Equipment Depreciation	8.75%
2. Outside Plant Depreciation	3.21%
3. Return	5.69%
4. Federal and State Income Tax	2.93%
5. Annual Nonrecoverable Cost	3.18%
6. Maintenance	5.00%
7. Administration/Marketing	0.00%
8. Other Taxes	1.28%
9. Total Annual Charge (\$)	<u>23.72%</u>

Tariffed Service **\$705.00**

# GTE TELEPHONE OPERATIONS

## OVERHEAD PERCENTAGE ANALYSIS

	DS3 Service Rates (A)	DS3 Service Costs (B)	Overhead Amount (C = A - B)	Overhead Percent (D = C/B)
ARKANSAS	\$4,208.00	\$739.37	\$3,468.63	469.13%
CALIFORNIA	\$5,651.00	\$841.59	\$4,809.41	571.47%
ILLINOIS	\$3,858.00	\$760.98	\$3,097.02	406.98%
MISSOURI	\$2,900.00	\$742.18	\$2,157.82	290.74%
TEXAS	\$5,297.00	\$751.39	\$4,545.61	604.96%
VIRGINIA	\$5,066.00	\$791.40	\$4,274.60	540.13%
WASHINGTON	\$6,717.00	\$763.07	\$5,953.93	780.26%
GSTC AVERAGE	\$4,813.86	\$770.00	\$4,043.86	525.18%

DS3 Service is comprised of (1) Circuit Termination,  
(10) miles of DS3 Transport Facility, and (1) Fixed Transport Charge.



STATE: GSTC – ARKANSAS  
DS3 COMPARABLE SERVICE COMPONENTS

Attachment: CTAR-DS3

A. DS3 Individual System Ckt Term – 7 year

Equipment – Circuit	\$12,286.22
Engineering Labor – Circuit	412.52
Installation Labor – Circuit	825.96
Total Circuit Investment	\$13,524.70

Equipment – Outside Plant	\$748.04
Engineering Labor – Outside Plant	38.65
Installation Labor – Outside Plant	294.89
Total Outside Plant Investment	\$1,081.58

Total Individual DS3 Ckt Term Investment \$14,606.28

Annual Charge (\$)

1. Circuit Equipment Depreciation	\$1,049.91
2. Outside Plant Depreciation	36.49
3. Return	836.91
4. Federal and State Income Tax	489.26
5. Annual Nonrecoverable Cost	(493.29)
6. Maintenance	938.04
7. Administration/Marketing	0.00
8. Other Taxes	87.00
9. Total Annual Charge (\$)	\$2,944.32

10. Direct Monthly Cost (Ln 9 / 12) \$245.36

FINANCIAL FACTORS	
Administration ACF	14.26%
Circuit Equip Maintenance	6.44%
Outside Plant Maintenance	5.40%
Gross Receipts Rate	0.00%
Property Tax Rate	0.59%
Fraction of Equity	65.04%
Fraction of Debt	34.96%
Return on Equity	12.33%
Debt Rate	9.25%
Cost of Money	11.25%
Federal Income Tax Rate	34.00%
State Income Tax Rate	6.50%

Percent Investment

7.76%
3.37%
5.73%
3.35%
-3.38%
6.42%
0.00%
0.60%
20.16%

Tariffed Rate \$1,908.00

C. DS3 Circuit Mileage

Equipment – Circuit	\$34.05
Engineering Labor – Circuit	0.74
Installation Labor – Circuit	3.51
Total Circuit Investment	\$38.30

Equipment – Outside Plant	\$487.41
Engineering Labor – Outside Plant	25.12
Installation Labor – Outside Plant	178.50
Total Outside Plant Investment	\$691.03

Total DS3 Circuit Mileage Investment \$729.33

Annual Charge (\$)

1. Circuit Equipment Depreciation	\$2.97
2. Outside Plant Depreciation	23.28
3. Return	41.49
4. Federal and State Income Tax	24.26
5. Annual Nonrecoverable Cost	43.12
6. Maintenance	39.96
7. Administration/Marketing	0.00
8. Other Taxes	4.32
9. Total Annual Charge (\$)	\$179.40

10. Direct Monthly Cost (Ln 9 / 12) \$14.95

Percent Investment

7.75%
3.37%
5.69%
3.33%
5.91%
5.48%
0.00%
0.59%
24.60%

Tariffed Rate \$70.00

B. DS3 Circuit Mileage – Fixed

Equipment – Circuit	\$12,252.72
Engineering Labor – Circuit	412.52
Installation Labor – Circuit	825.96
Total Circuit Investment	\$13,491.20

Equipment – Outside Plant	\$0.00
Engineering Labor – Outside Plant	0.00
Installation Labor – Outside Plant	0.00
Total Outside Plant Investment	\$0.00

Total DS3 Circuit Mileage Investment \$13,491.20

Annual Charge (\$)

1. Circuit Equipment Depreciation	\$1,051.07
2. Outside Plant Depreciation	0.00
3. Return	778.77
4. Federal and State Income Tax	455.27
5. Annual Nonrecoverable Cost	888.17
6. Maintenance	880.20
7. Administration/Marketing	0.00
8. Other Taxes	80.64
9. Total Annual Charge (\$)	\$4,134.12

10. Direct Monthly Cost (Ln 9 / 12) \$344.51

Percent Investment

7.79%
0.00%
5.77%
3.37%
6.58%
6.52%
0.00%
0.60%
30.64%

Tariffed Rate \$800.00

D. DS3 Service – 1 Ckt Term, 1 Fixed, 10 Ckt Miles

Equipment – Circuit	\$24,879.44
Engineering Labor – Circuit	832.44
Installation Labor – Circuit	1,687.02
Total Circuit Investment	\$27,398.90

Equipment – Outside Plant	\$5,622.14
Engineering Labor – Outside Plant	289.85
Installation Labor – Outside Plant	2,079.89
Total Outside Plant Investment	\$7,991.88

Total DS3 Service Investment \$35,390.78

Annual Charge (\$)

1. Circuit Equipment Depreciation	\$2,130.68
2. Outside Plant Depreciation	269.29
3. Return	2,030.58
4. Federal and State Income Tax	1,187.13
5. Annual Nonrecoverable Cost	826.08
6. Maintenance	2,217.84
7. Administration/Marketing	0.00
8. Other Taxes	210.84
9. Total Annual Charge (\$)	\$8,872.44

10. Direct Monthly Cost (Ln 9 / 12) \$739.37

Percent Investment

7.78%
3.37%
5.74%
3.35%
2.33%
6.27%
0.00%
0.60%
25.07%

Tariffed Service \$4,208.00

STATE: GSTC - CALIFORNIA  
DS3 COMPARABLE SERVICE COMPONENTS

Attachment: CTAR-DS3

A. DS3 Individual System Ckt Term - 7 year

Equipment - Circuit	\$13,087.83
Engineering Labor - Circuit	408.22
Installation Labor - Circuit	1,124.89
Total Circuit Investment	\$14,620.94

Equipment - Outside Plant	\$683.32
Engineering Labor - Outside Plant	57.66
Installation Labor - Outside Plant	298.35
Total Outside Plant Investment	\$1,037.33

Total Individual DS3 Ckt Term Investment \$15,658.27

Annual Charge (\$)

1. Circuit Equipment Depreciation	\$1,152.57
2. Outside Plant Depreciation	38.65
3. Return	896.95
4. Federal and State Income Tax	553.96
5. Annual Nonrecoverable Cost	(526.28)
6. Maintenance	1,191.24
7. Administration/Marketing	0.00
8. Other Taxes	126.36
9. Total Annual Charge (\$)	\$3,433.45

10. Direct Monthly Cost (Ln 9 / 12) \$286.12

FINANCIAL FACTORS	
Administration ACF	16.14%
Circuit Equip Maintenance	7.81%
Outside Plant Maintenance	3.70%
Gross Receipts Rate	0.00%
Property Tax Rate	0.80%
Fraction of Equity	59.13%
Fraction of Debt	40.87%
Return on Equity	12.74%
Debt Rate	9.10%
Cost of Money	11.25%
Federal Income Tax Rate	34.00%
State Income Tax Rate	9.30%

Percent Investment

1. Circuit Equipment Depreciation	7.88%
2. Outside Plant Depreciation	3.73%
3. Return	5.73%
4. Federal and State Income Tax	3.54%
5. Annual Nonrecoverable Cost	-3.36%
6. Maintenance	7.61%
7. Administration/Marketing	0.00%
8. Other Taxes	0.81%
9. Total Annual Charge (\$)	21.93%

Tariffed Rate \$2,281.00

C. DS3 Circuit Mileage

Equipment - Circuit	\$153.52
Engineering Labor - Circuit	5.92
Installation Labor - Circuit	12.58
Total Circuit Investment	\$172.02

Equipment - Outside Plant	\$445.24
Engineering Labor - Outside Plant	37.49
Installation Labor - Outside Plant	176.39
Total Outside Plant Investment	\$659.12

Total DS3 Circuit Mileage Investment \$831.14

Annual Charge (\$)

1. Circuit Equipment Depreciation	\$13.53
2. Outside Plant Depreciation	22.20
3. Return	47.29
4. Federal and State Income Tax	29.21
5. Annual Nonrecoverable Cost	39.45
6. Maintenance	38.04
7. Administration/Marketing	0.00
8. Other Taxes	6.72
9. Total Annual Charge (\$)	\$196.44

10. Direct Monthly Cost (Ln 9 / 12) \$16.37

Percent Investment

1. Circuit Equipment Depreciation	7.87%
2. Outside Plant Depreciation	3.37%
3. Return	5.69%
4. Federal and State Income Tax	3.51%
5. Annual Nonrecoverable Cost	4.75%
6. Maintenance	4.58%
7. Administration/Marketing	0.00%
8. Other Taxes	0.81%
9. Total Annual Charge (\$)	23.64%

Tariffed Rate \$145.00

B. DS3 Circuit Mileage - Fixed

Equipment - Circuit	\$13,052.15
Engineering Labor - Circuit	408.22
Installation Labor - Circuit	1,124.89
Total Circuit Investment	\$14,585.26

Equipment - Outside Plant	\$0.00
Engineering Labor - Outside Plant	0.00
Installation Labor - Outside Plant	0.00
Total Outside Plant Investment	\$0.00

Total DS3 Circuit Mileage Investment \$14,585.26

Annual Charge (\$)

1. Circuit Equipment Depreciation	\$1,153.82
2. Outside Plant Depreciation	0.00
3. Return	841.61
4. Federal and State Income Tax	519.78
5. Annual Nonrecoverable Cost	914.04
6. Maintenance	1,153.80
7. Administration/Marketing	0.00
8. Other Taxes	118.20
9. Total Annual Charge (\$)	\$4,701.25

10. Direct Monthly Cost (Ln 9 / 12) \$391.77

Percent Investment

1. Circuit Equipment Depreciation	7.91%
2. Outside Plant Depreciation	0.00%
3. Return	5.77%
4. Federal and State Income Tax	3.56%
5. Annual Nonrecoverable Cost	6.27%
6. Maintenance	7.91%
7. Administration/Marketing	0.00%
8. Other Taxes	0.81%
9. Total Annual Charge (\$)	32.23%

Tariffed Rate \$960.00

D. DS3 Service - 1 Ckt Term, 1 Fixed, 10 Ckt Miles

Equipment - Circuit	\$27,675.18
Engineering Labor - Circuit	875.64
Installation Labor - Circuit	2,375.58
Total Circuit Investment	\$30,926.40

Equipment - Outside Plant	\$5,135.72
Engineering Labor - Outside Plant	432.56
Installation Labor - Outside Plant	2,060.25
Total Outside Plant Investment	\$7,628.53

Total DS3 Service Investment \$38,554.93

Annual Charge (\$)

1. Circuit Equipment Depreciation	\$2,441.69
2. Outside Plant Depreciation	260.65
3. Return	2,211.46
4. Federal and State Income Tax	1,365.84
5. Annual Nonrecoverable Cost	782.26
6. Maintenance	2,725.44
7. Administration/Marketing	0.00
8. Other Taxes	311.76
9. Total Annual Charge (\$)	\$10,099.10

10. Direct Monthly Cost (Ln 9 / 12) \$841.59

Percent Investment

1. Circuit Equipment Depreciation	7.90%
2. Outside Plant Depreciation	3.42%
3. Return	5.74%
4. Federal and State Income Tax	3.54%
5. Annual Nonrecoverable Cost	2.03%
6. Maintenance	7.07%
7. Administration/Marketing	0.00%
8. Other Taxes	0.81%
9. Total Annual Charge (\$)	26.19%

Tariffed Service \$5,651.00

STATE: GSTC - ILLINOIS  
DS3 COMPARABLE SERVICE COMPONENTS

Attachment: CTIL-DS3

A. DS3 Individual System Ckt Term - 7 year

Equipment - Circuit	\$12,286.22
Engineering Labor - Circuit	319.26
Installation Labor - Circuit	701.77
Total Circuit Investment	\$13,307.25

Equipment - Outside Plant	\$748.04
Engineering Labor - Outside Plant	48.46
Installation Labor - Outside Plant	294.89
Total Outside Plant Investment	\$1,091.39

Total Individual DS3 Ckt Term Investment \$14,398.64

Annual Charge (\$)

1. Circuit Equipment Depreciation	\$1,745.27
2. Outside Plant Depreciation	38.69
3. Return	825.23
4. Federal and State Income Tax	489.86
5. Annual Nonrecoverable Cost	(1,223.57)
6. Maintenance	1,005.36
7. Administration/Marketing	0.00
8. Other Taxes	218.04
9. Total Annual Charge (\$)	\$3,098.88

FINANCIAL FACTORS	
Administration ACF	18.20%
Circuit Equip Maintenance	4.88%
Outside Plant Maintenance	2.08%
Gross Receipts Rate	0.00%
Property Tax Rate	0.72%
Fraction of Equity	60.50%
Fraction of Debt	39.50%
Return on Equity	13.11%
Debt Rate	8.40%
Cost of Money	11.25%
Federal Income Tax Rate	34.00%
State Income Tax Rate	9.30%

Percent Investment

13.12%
3.55%
5.73%
3.40%
-8.50%
6.98%
0.00%
1.51%
21.52%

10. Direct Monthly Cost (Ln 9 / 12) \$258.24 Tariffed Rate \$1,908.00

C. DS3 Circuit Mileage

Equipment - Circuit	\$34.05
Engineering Labor - Circuit	0.57
Installation Labor - Circuit	2.98
Total Circuit Investment	\$37.60

Equipment - Outside Plant	\$487.41
Engineering Labor - Outside Plant	31.50
Installation Labor - Outside Plant	178.49
Total Outside Plant Investment	\$697.40

Total DS3 Circuit Mileage Investment \$735.00

Annual Charge (\$)

1. Circuit Equipment Depreciation	\$4.92
2. Outside Plant Depreciation	24.69
3. Return	41.81
4. Federal and State Income Tax	24.82
5. Annual Nonrecoverable Cost	39.60
6. Maintenance	27.84
7. Administration/Marketing	0.00
8. Other Taxes	11.04
9. Total Annual Charge (\$)	\$174.72

Percent Investment

13.09%
3.54%
5.69%
3.38%
5.39%
3.79%
0.00%
1.50%
23.77%

10. Direct Monthly Cost (Ln 9 / 12) \$14.56 Tariffed Rate \$55.00

B. DS3 Circuit Mileage - Fixed

Equipment - Circuit	\$12,252.72
Engineering Labor - Circuit	319.26
Installation Labor - Circuit	701.77
Total Circuit Investment	\$13,273.75

Equipment - Outside Plant	\$0.00
Engineering Labor - Outside Plant	0.00
Installation Labor - Outside Plant	0.00
Total Outside Plant Investment	\$0.00

Total DS3 Circuit Mileage Investment \$13,273.75

Annual Charge (\$)

1. Circuit Equipment Depreciation	\$1,747.23
2. Outside Plant Depreciation	0.00
3. Return	766.54
4. Federal and State Income Tax	455.02
5. Annual Nonrecoverable Cost	148.10
6. Maintenance	967.08
7. Administration/Marketing	0.00
8. Other Taxes	201.72
9. Total Annual Charge (\$)	\$4,285.69

Percent Investment

13.16%
0.00%
5.77%
3.43%
1.12%
7.29%
0.00%
1.52%
32.29%

10. Direct Monthly Cost (Ln 9 / 12) \$357.14 Tariffed Rate \$700.00

D. DS3 Service - 1 Ckt Term, 1 Fixed, 10 Ckt Miles

Equipment - Circuit	\$24,879.44
Engineering Labor - Circuit	644.22
Installation Labor - Circuit	1,433.34
Total Circuit Investment	\$26,957.00

Equipment - Outside Plant	\$5,622.14
Engineering Labor - Outside Plant	363.46
Installation Labor - Outside Plant	2,079.79
Total Outside Plant Investment	\$8,065.39

Total DS3 Service Investment \$35,022.39

Annual Charge (\$)

1. Circuit Equipment Depreciation	\$3,541.70
2. Outside Plant Depreciation	285.59
3. Return	2,009.87
4. Federal and State Income Tax	1,193.08
5. Annual Nonrecoverable Cost	(679.47)
6. Maintenance	2,250.64
7. Administration/Marketing	0.00
8. Other Taxes	530.16
9. Total Annual Charge (\$)	\$9,131.77

Percent Investment

13.14%
3.54%
5.74%
3.41%
-1.94%
6.43%
0.00%
1.51%
26.07%

10. Direct Monthly Cost (Ln 9 / 12) \$760.98 Tariffed Service \$3,858.00

STATE: GSTC – MISSOURI  
DS3 COMPARABLE SERVICE COMPONENTS

Attachment:CTMO-DS3

A. DS3 Individual System Ckt Term – 7 year

Equipment – Circuit	\$12,286.22
Engineering Labor – Circuit	505.11
Installation Labor – Circuit	887.74
<b>Total Circuit Investment</b>	<b>\$13,679.07</b>

Equipment – Outside Plant	\$748.04
Engineering Labor – Outside Plant	55.56
Installation Labor – Outside Plant	294.89
<b>Total Outside Plant Investment</b>	<b>\$1,098.51</b>

Total Individual DS3 Ckt Term Investment \$14,777.58

Annual Charge (\$)

1. Circuit Equipment Depreciation	\$1,348.98
2. Outside Plant Depreciation	37.50
3. Return	846.55
4. Federal and State Income Tax	480.58
5. Annual Nonrecoverable Cost	(808.01)
6. Maintenance	887.88
7. Administration/Marketing	0.00
8. Other Taxes	119.40
9. Total Annual Charge (\$)	\$2,912.88

FINANCIAL FACTORS	
Administration ACF	18.20%
Circuit Equip Maintenance	4.88%
Outside Plant Maintenance	2.08%
Gross Receipts Rate	0.00%
Property Tax Rate	0.72%
Fraction of Equity	60.50%
Fraction of Debt	39.50%
Return on Equity	13.11%
Debt Rate	8.40%
Cost of Money	11.25%
Federal Income Tax Rate	34.00%
State Income Tax Rate	9.30%

Percent  
Investment

1. Circuit Equipment Depreciation	9.86%
2. Outside Plant Depreciation	3.41%
3. Return	5.73%
4. Federal and State Income Tax	3.25%
5. Annual Nonrecoverable Cost	-5.47%
6. Maintenance	6.01%
7. Administration/Marketing	0.00%
8. Other Taxes	0.81%
9. Total Annual Charge (\$)	19.71%

10. Direct Monthly Cost (Ln 9 / 12) \$242.74 Tariffed Rate \$850.00

C. DS3 Circuit Mileage

Equipment – Circuit	\$34.05
Engineering Labor – Circuit	0.91
Installation Labor – Circuit	3.77
<b>Total Circuit Investment</b>	<b>\$38.73</b>

Equipment – Outside Plant	\$487.41
Engineering Labor – Outside Plant	36.13
Installation Labor – Outside Plant	178.50
<b>Total Outside Plant Investment</b>	<b>\$702.04</b>

Total DS3 Circuit Mileage Investment \$740.77

Annual Charge (\$)

1. Circuit Equipment Depreciation	\$3.81
2. Outside Plant Depreciation	23.93
3. Return	42.14
4. Federal and State Income Tax	23.92
5. Annual Nonrecoverable Cost	39.64
6. Maintenance	51.70
7. Administration/Marketing	0.00
8. Other Taxes	6.00
9. Total Annual Charge (\$)	\$191.14

Percent  
Investment

1. Circuit Equipment Depreciation	9.84%
2. Outside Plant Depreciation	3.41%
3. Return	5.69%
4. Federal and State Income Tax	3.23%
5. Annual Nonrecoverable Cost	5.35%
6. Maintenance	6.98%
7. Administration/Marketing	0.00%
8. Other Taxes	0.81%
9. Total Annual Charge (\$)	25.80%

10. Direct Monthly Cost (Ln 9 / 12) \$15.93 Tariffed Rate \$65.00

B. DS3 Circuit Mileage – Fixed

Equipment – Circuit	\$12,252.72
Engineering Labor – Circuit	505.11
Installation Labor – Circuit	887.74
<b>Total Circuit Investment</b>	<b>\$13,645.57</b>

Equipment – Outside Plant	\$0.00
Engineering Labor – Outside Plant	0.00
Installation Labor – Outside Plant	0.00
<b>Total Outside Plant Investment</b>	<b>\$0.00</b>

Total DS3 Circuit Mileage Investment \$13,645.57

Annual Charge (\$)

1. Circuit Equipment Depreciation	\$1,350.45	9.90%
2. Outside Plant Depreciation	0.00	0.00%
3. Return	787.45	5.77%
4. Federal and State Income Tax	447.04	3.28%
5. Annual Nonrecoverable Cost	575.14	4.21%
6. Maintenance	811.32	5.95%
7. Administration/Marketing	0.00	0.00%
8. Other Taxes	110.52	0.81%
9. Total Annual Charge (\$)	\$4,081.92	29.91%

Percent  
Investment

1. Circuit Equipment Depreciation	9.90%
2. Outside Plant Depreciation	0.00%
3. Return	5.77%
4. Federal and State Income Tax	3.28%
5. Annual Nonrecoverable Cost	4.21%
6. Maintenance	5.95%
7. Administration/Marketing	0.00%
8. Other Taxes	0.81%
9. Total Annual Charge (\$)	29.91%

10. Direct Monthly Cost (Ln 9 / 12) \$340.16 Tariffed Rate \$700.00

D. DS3 Service – 1 Ckt Term, 1 Fixed, 10 Ckt Miles

Equipment – Circuit	\$24,879.44
Engineering Labor – Circuit	1,019.32
Installation Labor – Circuit	1,813.18
<b>Total Circuit Investment</b>	<b>\$27,711.94</b>

Equipment – Outside Plant	\$5,622.14
Engineering Labor – Outside Plant	416.88
Installation Labor – Outside Plant	2,079.89
<b>Total Outside Plant Investment</b>	<b>\$8,118.91</b>

Total DS3 Service Investment \$35,830.85

Annual Charge (\$)

1. Circuit Equipment Depreciation	\$2,737.53	9.88%
2. Outside Plant Depreciation	276.80	3.41%
3. Return	2,055.40	5.74%
4. Federal and State Income Tax	1,166.82	3.26%
5. Annual Nonrecoverable Cost	163.53	0.46%
6. Maintenance	2,216.20	6.19%
7. Administration/Marketing	0.00	0.00%
8. Other Taxes	289.92	0.81%
9. Total Annual Charge (\$)	\$8,906.20	24.86%

Percent  
Investment

1. Circuit Equipment Depreciation	9.88%
2. Outside Plant Depreciation	3.41%
3. Return	5.74%
4. Federal and State Income Tax	3.26%
5. Annual Nonrecoverable Cost	0.46%
6. Maintenance	6.19%
7. Administration/Marketing	0.00%
8. Other Taxes	0.81%
9. Total Annual Charge (\$)	24.86%

10. Direct Monthly Cost (Ln 9 / 12) \$742.18 Tariffed Service \$2,900.00

STATE: GSTC – TEXAS  
DS3 COMPARABLE SERVICE COMPONENTS

Attachment:CTMO-DS3

A. DS3 Individual System Ckt Term – 7 year

Equipment – Circuit	\$12,585.06
Engineering Labor – Circuit	404.30
Installation Labor – Circuit	1,925.26
Total Circuit Investment	\$14,914.62
Equipment – Outside Plant	\$745.15
Engineering Labor – Outside Plant	48.46
Installation Labor – Outside Plant	267.64
Total Outside Plant Investment	\$1,061.25

Total Individual DS3 Ckt Term Investment \$15,975.87

Annual Charge (\$)

1. Circuit Equipment Depreciation	\$1,880.75
2. Outside Plant Depreciation	38.16
3. Return	914.30
4. Federal and State Income Tax	470.95
5. Annual Nonrecoverable Cost	(1,198.28)
6. Maintenance	798.48
7. Administration/Marketing	0.00
8. Other Taxes	164.40
9. Total Annual Charge (\$)	\$3,068.76

10. Direct Monthly Cost (Ln 9 / 12) \$255.73

FINANCIAL FACTORS	
Administration ACF	10.19%
Circuit Equip Maintenance	5.06%
Outside Plant Maintenance	3.48%
Gross Receipts Rate	0.00%
Property Tax Rate	1.02%
Fraction of Equity	59.19%
Fraction of Debt	40.81%
Return on Equity	12.70%
Debt Rate	9.15%
Cost of Money	11.25%
Federal Income Tax Rate	34.00%
State Income Tax Rate	0.00%

Percent Investment

12.61%	
3.60%	
5.72%	
2.95%	
-7.50%	
5.00%	
0.00%	
1.03%	
19.21%	
Tariffed Rate	\$1,881.00

C. DS3 Circuit Mileage

Equipment – Circuit	\$32.34
Engineering Labor – Circuit	0.67
Installation Labor – Circuit	7.59
Total Circuit Investment	\$40.60

Equipment – Outside Plant	\$485.53
Engineering Labor – Outside Plant	31.51
Installation Labor – Outside Plant	161.77
Total Outside Plant Investment	\$678.81

Total DS3 Circuit Mileage Investment \$719.41

Annual Charge (\$)

1. Circuit Equipment Depreciation	\$5.11
2. Outside Plant Depreciation	24.37
3. Return	40.93
4. Federal and State Income Tax	21.08
5. Annual Nonrecoverable Cost	36.31
6. Maintenance	25.80
7. Administration/Marketing	0.00
8. Other Taxes	7.32
9. Total Annual Charge (\$)	\$160.92

10. Direct Monthly Cost (Ln 9 / 12) \$13.41

Percent Investment

12.59%	
3.59%	
5.69%	
2.93%	
5.05%	
3.59%	
0.00%	
1.02%	
22.37%	
Tariffed Rate	\$135.00

B. DS3 Circuit Mileage – Fixed

Equipment – Circuit	\$12,550.74
Engineering Labor – Circuit	404.30
Installation Labor – Circuit	1,925.26
Total Circuit Investment	\$14,880.30

Equipment – Outside Plant	\$0.00
Engineering Labor – Outside Plant	0.00
Installation Labor – Outside Plant	0.00
Total Outside Plant Investment	\$0.00

Total DS3 Circuit Mileage Investment \$14,880.30

Annual Charge (\$)

1. Circuit Equipment Depreciation	\$1,882.67
2. Outside Plant Depreciation	0.00
3. Return	857.39
4. Federal and State Income Tax	441.64
5. Annual Nonrecoverable Cost	241.29
6. Maintenance	762.12
7. Administration/Marketing	0.00
8. Other Taxes	153.60
9. Total Annual Charge (\$)	\$4,338.71

10. Direct Monthly Cost (Ln 9 / 12) \$361.56

Percent Investment

12.65%	
0.00%	
5.76%	
2.97%	
1.62%	
5.12%	
0.00%	
1.03%	
29.16%	
Tariffed Rate	\$1,033.00

D. DS3 Service – 1 Ckt Term, 1 Fixed, 10 Ckt Miles

Equipment – Circuit	\$25,459.20
Engineering Labor – Circuit	815.30
Installation Labor – Circuit	3,926.42
Total Circuit Investment	\$30,200.92

Equipment – Outside Plant	\$5,600.45
Engineering Labor – Outside Plant	363.56
Installation Labor – Outside Plant	1,885.34
Total Outside Plant Investment	\$7,849.35

Total DS3 Service Investment \$38,050.27

Annual Charge (\$)

1. Circuit Equipment Depreciation	\$3,814.52
2. Outside Plant Depreciation	281.86
3. Return	2,180.99
4. Federal and State Income Tax	1,123.39
5. Annual Nonrecoverable Cost	(593.89)
6. Maintenance	1,818.60
7. Administration/Marketing	0.00
8. Other Taxes	391.20
9. Total Annual Charge (\$)	\$9,016.67

10. Direct Monthly Cost (Ln 9 / 12) \$751.39

Percent Investment

12.63%	
3.59%	
5.73%	
2.95%	
-1.56%	
4.78%	
0.00%	
1.03%	
23.70%	
Tariffed Service	\$5,297.00

STATE: GSTC - VIRGINIA  
DS3 COMPARABLE SERVICE COMPONENTS

Attachment: CTMO-DS3

A. DS3 Individual System Ckt Term - 7 year

Equipment - Circuit	\$13,390.99
Engineering Labor - Circuit	338.20
Installation Labor - Circuit	987.28
Total Circuit Investment	\$14,716.47

Equipment - Outside Plant	\$828.88
Engineering Labor - Outside Plant	81.27
Installation Labor - Outside Plant	511.75
Total Outside Plant Investment	\$1,421.90

Total Individual DS3 Ckt Term Investment \$16,138.37

Annual Charge (\$)		Percent Investment
1. Circuit Equipment Depreciation	\$1,531.68	10.41%
2. Outside Plant Depreciation	52.93	3.72%
3. Return	924.48	5.73%
4. Federal and State Income Tax	535.18	3.32%
5. Annual Nonrecoverable Cost	(856.43)	-5.31%
6. Maintenance	972.24	6.02%
7. Administration/Marketing	0.00	0.00%
8. Other Taxes	91.20	0.57%
9. Total Annual Charge (\$)	\$3,251.28	20.15%

10. Direct Monthly Cost (Ln 9 / 12) \$270.94 Tariffed Rate \$2,466.00

C. DS3 Circuit Mileage

Equipment - Circuit	\$57.50
Engineering Labor - Circuit	0.94
Installation Labor - Circuit	6.50
Total Circuit Investment	\$64.94

Equipment - Outside Plant	\$453.78
Engineering Labor - Outside Plant	28.41
Installation Labor - Outside Plant	180.54
Total Outside Plant Investment	\$660.73

Total DS3 Circuit Mileage Investment \$725.67

Annual Charge (\$)		Percent Investment
1. Circuit Equipment Depreciation	\$6.74	10.38%
2. Outside Plant Depreciation	24.58	3.72%
3. Return	41.28	5.69%
4. Federal and State Income Tax	23.90	3.29%
5. Annual Nonrecoverable Cost	35.50	4.89%
6. Maintenance	50.40	6.95%
7. Administration/Marketing	0.00	0.00%
8. Other Taxes	4.08	0.56%
9. Total Annual Charge (\$)	\$186.48	25.70%

10. Direct Monthly Cost (Ln 9 / 12) \$15.54 Tariffed Rate \$100.00

FINANCIAL FACTORS	
Administration ACF	15.18%
Circuit Equip Maintenance	5.87%
Outside Plant Maintenance	7.00%
Gross Receipts Rate	0.00%
Property Tax Rate	0.56%
Fraction of Equity	53.24%
Fraction of Debt	46.76%
Return on Equity	14.18%
Debt Rate	7.91%
Cost of Money	11.25%
Federal Income Tax Rate	34.00%
State Income Tax Rate	6.00%

B. DS3 Circuit Mileage - Fixed

Equipment - Circuit	\$13,354.47
Engineering Labor - Circuit	338.22
Installation Labor - Circuit	987.28
Total Circuit Investment	\$14,679.97

Equipment - Outside Plant	\$0.00
Engineering Labor - Outside Plant	0.00
Installation Labor - Outside Plant	0.00
Total Outside Plant Investment	\$0.00

Total DS3 Circuit Mileage Investment \$14,679.97

Annual Charge (\$)		Percent Investment
1. Circuit Equipment Depreciation	\$1,533.37	10.45%
2. Outside Plant Depreciation	0.00	0.00%
3. Return	847.43	5.77%
4. Federal and State Income Tax	490.57	3.34%
5. Annual Nonrecoverable Cost	553.07	3.77%
6. Maintenance	873.00	5.95%
7. Administration/Marketing	0.00	0.00%
8. Other Taxes	83.28	0.57%
9. Total Annual Charge (\$)	\$4,380.72	29.84%

10. Direct Monthly Cost (Ln 9 / 12) \$365.06 Tariffed Rate \$800.00

D. DS3 Service - 1 Ckt Term, 1 Fixed, 10 Ckt Miles

Equipment - Circuit	\$27,320.46
Engineering Labor - Circuit	685.82
Installation Labor - Circuit	2,039.56
Total Circuit Investment	\$30,045.84

Equipment - Outside Plant	\$5,366.68
Engineering Labor - Outside Plant	345.37
Installation Labor - Outside Plant	2,317.15
Total Outside Plant Investment	\$8,029.20

Total DS3 Service Investment \$38,075.04

Annual Charge (\$)		Percent Investment
1. Circuit Equipment Depreciation	\$3,132.45	10.43%
2. Outside Plant Depreciation	298.73	3.72%
3. Return	2,184.71	5.74%
4. Federal and State Income Tax	1,264.75	3.32%
5. Annual Nonrecoverable Cost	51.64	0.14%
6. Maintenance	2,349.24	6.17%
7. Administration/Marketing	0.00	0.00%
8. Other Taxes	215.28	0.57%
9. Total Annual Charge (\$)	\$9,496.80	24.94%

10. Direct Monthly Cost (Ln 9 / 12) \$791.40 Tariffed Service \$5,066.00

STATE: GSTC - WASHINGTON  
DS3 COMPARABLE SERVICE COMPONENTS

Attachment: CTMO-DS:

A. DS3 Individual System Ckt Term - 7 year

Equipment - Circuit	\$13,247.52
Engineering Labor - Circuit	406.22
Installation Labor - Circuit	918.32
Total Circuit Investment	\$14,572.06

Equipment - Outside Plant	\$752.91
Engineering Labor - Outside Plant	45.13
Installation Labor - Outside Plant	286.63
Total Outside Plant Investment	\$1,084.67

Total Individual DS3 Ckt Term Investment \$15,656.73

Annual Charge (\$)

1. Circuit Equipment Depreciation	\$1,279.80
2. Outside Plant Depreciation	30.37
3. Return	897.13
4. Federal and State Income Tax	462.11
5. Annual Nonrecoverable Cost	(676.46)
6. Maintenance	937.92
7. Administration/Marketing	0.00
8. Other Taxes	196.56
9. Total Annual Charge (\$)	\$3,127.43

FINANCIAL FACTORS	
Administration ACF	17.80%
Circuit Equip Maintenance	6.07%
Outside Plant Maintenance	4.12%
Gross Receipts Rate	0.78%
Property Tax Rate	1.09%
Fraction of Equity	46.02%
Fraction of Debt	53.98%
Return on Equity	13.06%
Debt Rate	9.71%
Cost of Money	11.25%
Federal Income Tax Rate	34.00%
State Income Tax Rate	0.00%

Percent Investment

1. Circuit Equipment Depreciation	8.78%
2. Outside Plant Depreciation	2.80%
3. Return	5.73%
4. Federal and State Income Tax	2.95%
5. Annual Nonrecoverable Cost	-4.32%
6. Maintenance	5.99%
7. Administration/Marketing	0.00%
8. Other Taxes	1.26%
9. Total Annual Charge (\$)	19.97%

10. Direct Monthly Cost (Ln 9 / 12) \$280.62 Tariffed Rate \$2,717.00

C. DS3 Circuit Mileage

Equipment - Circuit	\$35.43
Engineering Labor - Circuit	0.70
Installation Labor - Circuit	3.76
Total Circuit Investment	\$39.89

Equipment - Outside Plant	\$490.58
Engineering Labor - Outside Plant	29.34
Installation Labor - Outside Plant	173.36
Total Outside Plant Investment	\$693.28

Total DS3 Circuit Mileage Investment \$733.17

Annual Charge (\$)

1. Circuit Equipment Depreciation	\$3.50
2. Outside Plant Depreciation	25.80
3. Return	41.71
4. Federal and State Income Tax	21.49
5. Annual Nonrecoverable Cost	33.39
6. Maintenance	31.20
7. Administration/Marketing	0.00
8. Other Taxes	9.24
9. Total Annual Charge (\$)	\$166.33

Percent Investment

1. Circuit Equipment Depreciation	8.77%
2. Outside Plant Depreciation	3.72%
3. Return	5.69%
4. Federal and State Income Tax	2.93%
5. Annual Nonrecoverable Cost	4.55%
6. Maintenance	4.26%
7. Administration/Marketing	0.00%
8. Other Taxes	1.26%
9. Total Annual Charge (\$)	22.69%

10. Direct Monthly Cost (Ln 9 / 12) \$13.86 Tariffed Rate \$155.00

B. DS3 Circuit Mileage - Fixed

Equipment - Circuit	\$13,211.39
Engineering Labor - Circuit	406.22
Installation Labor - Circuit	918.32
Total Circuit Investment	\$14,535.93

Equipment - Outside Plant	\$0.00
Engineering Labor - Outside Plant	0.00
Installation Labor - Outside Plant	0.00
Total Outside Plant Investment	\$0.00

Total DS3 Circuit Mileage Investment \$14,535.93

Annual Charge (\$)

1. Circuit Equipment Depreciation	\$1,281.21
2. Outside Plant Depreciation	0.00
3. Return	839.09
4. Federal and State Income Tax	432.22
5. Annual Nonrecoverable Cost	725.04
6. Maintenance	893.88
7. Administration/Marketing	0.00
8. Other Taxes	194.64
9. Total Annual Charge (\$)	\$4,366.06

Percent Investment

1. Circuit Equipment Depreciation	8.81%
2. Outside Plant Depreciation	0.00%
3. Return	5.77%
4. Federal and State Income Tax	2.97%
5. Annual Nonrecoverable Cost	4.99%
6. Maintenance	6.15%
7. Administration/Marketing	0.00%
8. Other Taxes	1.34%
9. Total Annual Charge (\$)	30.04%

10. Direct Monthly Cost (Ln 9 / 12) \$363.84 Tariffed Rate \$1,225.00

D. DS3 Service - 1 Ckt Term, 1 Fixed, 10 Ckt Miles

Equipment - Circuit	\$26,813.21
Engineering Labor - Circuit	819.44
Installation Labor - Circuit	1,874.24
Total Circuit Investment	\$29,506.89

Equipment - Outside Plant	\$5,658.71
Engineering Labor - Outside Plant	338.53
Installation Labor - Outside Plant	2,020.23
Total Outside Plant Investment	\$8,017.47

Total DS3 Service Investment \$37,524.36

Annual Charge (\$)

1. Circuit Equipment Depreciation	\$2,596.01
2. Outside Plant Depreciation	288.37
3. Return	2,153.32
4. Federal and State Income Tax	1,109.23
5. Annual Nonrecoverable Cost	362.48
6. Maintenance	2,143.80
7. Administration/Marketing	0.00
8. Other Taxes	483.60
9. Total Annual Charge (\$)	\$9,156.81

Percent Investment

1. Circuit Equipment Depreciation	8.80%
2. Outside Plant Depreciation	3.60%
3. Return	5.74%
4. Federal and State Income Tax	2.96%
5. Annual Nonrecoverable Cost	1.02%
6. Maintenance	5.71%
7. Administration/Marketing	0.00%
8. Other Taxes	1.29%
9. Total Annual Charge (\$)	24.40%

10. Direct Monthly Cost (Ln 9 / 12) \$763.07 Tariffed Service \$6,717.00

## Certificate of Service

I, Ann D. Berkowitz, hereby certify that copies of the foregoing "Direct Case of GTE" have been mailed by first class United States mail, postage prepaid, on the 21st day of March, 1995 to the following parties:

Andrew Lipman, Esq.  
Swidler & Berlin Chartered  
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